

7 March 2017

Mr Gavin Crooks
Case Manager
Operations 3
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne Victoria 3000

Email: Gavin.Crooks@adcommission.gov.au

Public File

Dear Mr Crooks

Re Investigation No. 362 – Press Metal Australia

Please find attached (Confidential Attachment 1) the Press Metal Aluminium (Australia) Pty Ltd (“PMA”) 2015 Financial Statements and report submitted with the Australian Securities and Investments Commission (“ASIC”) dated 11 January 2017.

Capral Limited (“Capral”) would like to highlight with the Anti-Dumping Commission (“the Commission”) the following key points from the statements submitted with ASIC:

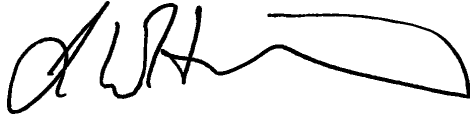
- The “going concern assumption” for PMA is premised solely upon the support of the parent, Press Metal Berhad (and makes reference to Note 23, that confirms over 90 per cent of purchases are from the parent PMB);
- Note 23 further confirms that PMB has provided extended credit to PMA, with an amount outstanding at 31 December 2015 of \$11.8M. The length of the extended settlement is not stated, however, the profitability for the sale of the transferred goods is dependent upon the prevailing market price, which is under price pressures from reductions instigated by PMA;
- Press Metal Berhad is the parent company. The profitability of the ‘transfers’ that have occurred and remain outstanding as at 31 December 2015 (i.e. in the middle of the investigation period) are subject to the selling prices in Australia and whether PMB will secure full payment from PMA. It can not be stated that any transactions for goods transferred from the parent to PMA in 2015 that remain outstanding have been sold at full cost recovery (as PMB has not demanded payment and full cost recovery cannot be determined);
- further, the extended credit provided by PMB to PMA would result in a substantial export credit uplift adjustment (for the investigation period); and
- the Directors of PMA are also directors of PMB – highlighting uncertainty associated with outstanding payments due from PMA to PMB.

Capral requests the Commission to take full account of the outstanding payments due from PMA to the parent PMB as at 31 December 2015 in its assessment of whether sales by PMA for aluminium

extrusions on the Australian market have been profitable (for the determination of export prices between the related parties).

If you have any questions concerning this letter, please do not hesitate to contact me on (02) 8222 0113 or Capral's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely

A handwritten signature in black ink, appearing to read 'LHAWKINS', with a long horizontal flourish extending to the right.

Luke Hawkins
General Manager – Supply and Industrial Solutions